



*State of North Carolina
Department of the Secretary of State*

ELAINE F. MARSHALL
SECRETARY OF STATE

CHARITABLE SOLICITATION LICENSING DIVISION

SETTLEMENT AGREEMENT

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Jason Benefield, President
Harmony Athletic Association
P.O. Box 312
Harmony, NC 28634

**In the Matter of: Harmony Athletic Association
CSL FILE NO.: 2018 CSL 101113**

This Settlement Agreement is entered into by the North Carolina Department of the Secretary of State [hereinafter "Department"], Charitable Solicitation Licensing Division [hereinafter "CSL"] and Harmony Athletic Association to set forth compliance and the terms of agreement for payment of financial penalties assessed in an Administrative Order for Penalties and to Cease and Desist Solicitation Activities issued on June 5, 2018 by CSL. This Order imposed penalties pursuant to the North Carolina Charitable Solicitation Act, N.C. Gen. Stat. §131F-1 *et seq.* and/or Rules implementing the Act.

WHEREAS, CSL is charged with charitable solicitation licensing and enforcement in North Carolina under the Charitable Solicitation Act and Chapter 11 of Title 18 of the North Carolina Administrative Code; and

WHEREAS, on June 5, 2018, CSL issued an Administrative Order for Penalties and to Cease and Desist Solicitation Activities (hereinafter referred to as "Order") signed by CSL

Director, Gail L. Eluwa, to Harmony Athletic Association, assessing ONE THOUSAND DOLLARS (\$1,000.00) in financial penalties pursuant to the Charitable Solicitation Act and/or relevant Rules; and

WHEREAS, the Order was properly served and included a Notice of Appeal Rights to the Office of Administrative Hearings (OAH) in compliance with Article 3 of the North Carolina Administrative Procedure Act, N.C. Gen. Stat. §150B; and

WHEREAS, Harmony Athletic Association did not appeal the Order entered on June 5, 2018 by CSL, and instead desires to enter into a settlement agreement to comply with the licensure requirement and satisfy the financial penalty assessed in the aforementioned Order; and

WHEREAS, on or about July 24, 2018, Kelly Lackey, Treasurer of Harmony Athletic Association, emailed Gail L. Eluwa, CSL Director, regarding the Order and payment of the assessed penalty; and

WHEREAS, on July 24, 2018, CSL received Harmony Athletic Association's Exemption Request Form; and on July 24, 2018, the organization satisfied the requirements for an exemption from the licensure requirement of the Charitable Solicitation Act pursuant to N.C.G.S. §131F-3(3); and

WHEREAS, on July 27, 2018, CSL and Harmony Athletic Association agreed to a reduced penalty payment in the amount of TWO HUNDRED AND FIFTY DOLLARS in settlement of the ONE THOUSAND DOLLARS assessed penalty in the June 5, 2018 Order; and

WHEREAS, negotiations have been successful between the parties concerning the settlement agreement terms; and

THEREFORE, the parties have agreed to settle all outstanding issues through this Settlement Agreement, the specific terms of which are listed in the subsequent numbered paragraphs. The parties hereby agree as follows:

1. Harmony Athletic Association through its President, Jason Benefield, and the Department through CSL Director, Gail L. Eluwa, agree to the terms as outlined further in this Settlement Agreement to resolve all issues, including the financial penalties assessed in the Order issued by CSL to Harmony Athletic Association on June 5, 2018.

2. Harmony Athletic Association agrees to submit a payment of two hundred fifty (\$250.00) to CSL, on or before August 31, 2018 to satisfy the reduced penalty in the amount of five hundred dollars (\$250.00).

3. Harmony Athletic Association shall send two notarized copies of the original Settlement Agreement to be received by CSL on or before August 31, 2018 by the close of business (5:00 p.m.). This document shall be sent to the attention of Gail L. Eluwa, CSL Director, to one of the following addresses:

For regular mail, use the following address:

Gail L. Eluwa, CSL Director
North Carolina Department of the Secretary of State
Charitable Solicitation Licensing Division
Post Office Box 29622
Raleigh, NC 27626-0622

For overnight mail, use the following address:

Gail L. Eluwa, CSL Director
North Carolina Department of the Secretary of State
Charitable Solicitation Licensing Division

2 South Salisbury Street
Raleigh, NC 27601

3. If the two copies of the fully executed settlement agreement are not received on or before the August 22, 2018 deadline, without further notice, CSL will issue an Order to assess further penalties up to ONE THOUSAND DOLLARS (\$1,000.00) per day for each day the settlement agreement is not received.

4. CSL agreed and has issued Harmony Athletic Association an exemption from the licensure requirement of the Charitable Solicitation Act effective July 24, 2018, with an expiration date of May 15, 2019.

5. Harmony Athletic Association agrees that by entering into this Settlement Agreement, it will request a charitable solicitation license or an exemption from the licensure requirement of the Charitable Solicitation Act within the timeline established by CSL's policy; and acknowledges that failure to timely obtain a license or request an exemption may result in the issuance of additional financial penalties.

6. Harmony Athletic Association acknowledges that by entering into this Settlement Agreement, it agrees not to contest the June 5, 2018 Order, and any of the provisions of the aforesaid Order, whether or not the challenge is barred by the applicable statute of limitations.

7. The parties agree that CSL does not waive any authority on behalf of the Secretary of State to take action in the future for any and all violations of the Charitable Solicitation Act, N. C. Gen. Stat. § 131F-1 *et seq.* and the relevant Rules provisions found in Chapter 11 of Title 18 of the North Carolina Administrative Code.

8. Entry into this Settlement Agreement by Harmony Athletic Association is not an admission of liability for the violations set forth in the Order. Harmony Athletic Association,

however, does not dispute that the facts set forth in the Order are accurate. CSL does not concede by entering into this Settlement Agreement that it would not have prevailed at a hearing on this matter. The parties, however, agree that this Settlement Agreement is a compromise that avoids the time and expense of hearing.

9. The parties agree that all parts of the Order which are not addressed specifically in this Settlement Agreement are considered resolved without further proceedings related to this contested case.

10. This Settlement Agreement shall be given full effect and shall be construed under the laws of the State of North Carolina, which retains jurisdiction of this matter.

11. The undersigned individuals represent that they have the legal capacity and authority to bind the entities on whose behalf they are signing with regard to all issues addressed by and resolved in this Settlement Agreement.

12. All parties acknowledge that they have entered into this Settlement Agreement freely and voluntarily and without any coercion.

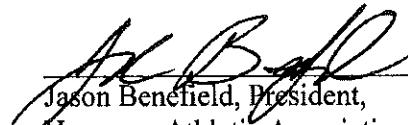
13. All parties further acknowledge that they have read and understand the terms of this Agreement and that they have had the opportunity to consult with counsel in deciding whether to enter into this Agreement.

14. This Settlement Agreement constitutes the entire agreement reached by the parties hereto. Any discussions outside the terms of this Agreement are not a part hereof.

15. Any modifications to this Settlement Agreement must be in writing and signed by all parties.

16. This Settlement Agreement shall first be signed by Jason Benefield, President, Harmony Athletic Association under oath before a Notary Public and then forwarded to Gail L.

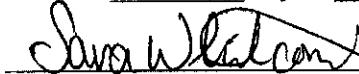
Eluwa, CSL Director, for signature. The Agreement is effective on the date on which Jason Benefield signs under oath before a Notary Public on behalf of Harmony Athletic Association.



Jason Benefield, President,
Harmony Athletic Association

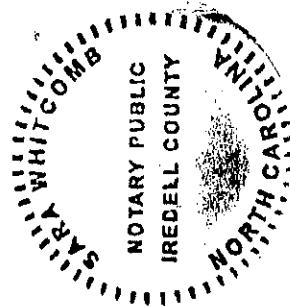
Sworn to and subscribed before me,

This the 4th day of September, 2018.



Gail L. Eluwa
Notary Public

SEAL



Iredell, North Carolina

County and State

My commission expires: July 8, 2023

Gail L. Eluwa, Director
Charitable Solicitation Licensing Division
North Carolina Secretary of State

Sworn to and subscribed before me,

This the _____ day of _____, 2018.

Notary Public

SEAL

County and State

My commission expires: _____